

Message Text

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PAGE 01 CALGAR 00510 082241Z

ACTION EUR-12

INFO OCT-01 ISO-00 L-03 SOE-02 AID-05 CEA-01 CIAE-00

COME-00 DODE-00 EB-08 DOE-15 H-02 INR-10 INT-05

NSAE-00 NSC-05 OMB-01 PM-05 ICA-20 OES-09 SP-02

SS-15 STR-07 TRSE-00 ACDA-12 /140 W

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P 082200Z AUG 78

FM AMCONSUL CALGARY

TO SECSTATE WASHDC PRIORITY 2552

INFO AMEMBASSY OTTAWA PRIORITY

UNCLAS CALGARY 0510

E.O. 11652: NA

TAGS: ENRG, CA

SUBJ: THE ELMWORTH (DEEP BASIN) GAS PLAY

REF: CALGARY A-08

1. IMPERIAL IS NEGOTIATING FARM-IN AGREEMENT WITH CANADIAN HUNTER EXPLORATION LTD. WHICH WILL GIVE IT FIFTEEN PERCENT INTEREST IN APPROXIMATELY TWO MILLION ACRES IN ELMWORTH AREA, HEART OF ALBERTA'S DEEP BASIN GAS PLAY. ASKING PRICE FOR FARM-IN ARRANGEMENT IS REPORTEDLY CANADIAN DOLS 175 MILLION. IMPERIAL OFFICIALS TELL US THAT CONVENTIONAL STRUCTURES IN ELMWORTH AREA CONTAIN 8-15 TCF AND THAT SOME PORTION OF UP TO 200 TCF OF "TRAPPED" GAS, I.E., GAS CONTAINED IN FORMATIONS OF LOW PORROSIY AND PERMEABILITY MAY BE RECOVERABLE IF OIL INDUSTRY IS ABLE TO DEVELOP NEW WELL COMPLETION TECHNIQUES.

2. COMMENT: IMPERIAL HAS BEEN SEEKING TO REESTABLISH ITS LAND POSITION IN CONVENTIONAL PRODUCTION AREAS AND FARM-IN WITH CANADIAN HUNTER IS SIGNIFICANT STEP TOWARD ACCOMPLISHMENT OF THIS OBJECTIVE. IMPERIAL S EXPLORATION AND PRODUCTION STRATEGY HAS BEEN UNDER SHARP ATTACK, AND WE UNDER-
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STAND NEGOTIATION WITH CANADIAN HUNTER APPROVED BY EXXON BOARD IN NEW YORK. INTEREST OF IMPERIAL IN ELMWORTH GIVES CREDENCE TO CANADIAN HUNTER CLAIM ABOUT GAS POTENTIAL OF ALBERTA AND BRITISH COLUMBIA DEEP BASIN AND STRENGTHENS BELIEF HERE THAT DEVELOPMENT OF CANADA S ARCTIC, BEAUFORT SEA AND MACKENZIE DELTA GAS RESERVES WILL BE A LONG TIME IN COMING. CANADIAN HUNTER IS 75 PERCENT OWNED BY NORANDA

MINES LIMITED, 15 PERCENT BY AGNEW LAKE MINES LTD., AND 10
PERCENT BY PETROMARK MINERALS LTD.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATURAL GAS, ELMWORTH BASIN, WEST PEMBINA, BRITISH COLUMBIA
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Copy: SINGLE
Draft Date: 08 aug 1978
Decaption Date: 01 jan 1960
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Disposition Approved on Date:
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Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
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